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CJEU - Advocate General in *Sky v. Skykick*: Scoping Bad Faith

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On 16 October 2019, the long-awaited opinion of Advocate General Tanchev was handed down in the case of *Sky Plc & Ots v SkyKick UK Ltd & Anr (Case C-371/18)*. The opinion is couched in terms of public importance and redressing the balance between the monopolistic nature of trade mark rights and the importance of free access to the market for legitimate traders. It highlights the potential ramifications for filing practices, invalidation procedures and the scope of trade marks generally. Whilst the opinion is not binding on the CJEU, or indeed the UK courts which referred the case, it might give an indication of the judgment to be expected from the CJEU.

By way of a brief overview, the questions referred to the CJEU by Mr. Justice Arnold are as follows:

1. Can a trade mark registration be invalidated on the grounds that terms within the specification are not defined with sufficient clarity or precision;
2. If so, is “computer software” sufficiently clear and precise to avoid such invalidation;
3. Where a party files without an intention to use, can bad faith be inferred; and
4. If so, would this finding of bad faith apply to the entirety of the registration or just to those terms for which use was not intended?

On the first question, Advocate General Tanchev confirms that the grounds of invalidation set out in the Regulation are exhaustive, and as such a further ground of invalidity based on the clarity and precision of the specification (or rather: lack thereof!) cannot be enforced. Rather, the question of the clarity and precision of a term is an *ex officio* matter, to be examined by the relevant Trade Mark Office when considering an application.

Notwithstanding the above, however, the opinion suggests that the term “computer software” is so broad and imprecise that a registration affording protection to its owner. As a result, then, the opinion confirms that the requirement of clarity and precision in specifications, whilst not a ground of invalidity in and of itself, is connected with the ground of invalidity that marks are contrary to public policy of public order.

Having hinted at his position already, Advocate General Tanchev then moves to address the third question. Little time is wasted in stating that the acquisition of rights with no intention to use, and potentially to prevent third parties from using the mark in relation to these goods or services, will indeed constitute bad faith. This is because such a filing would be conducted in abuse of the trade mark system. Herein, it appears, lies the crux of the present referral; where a trade mark system enables a monopoly for five years before the registration of a trade mark may be contested, how may the interests of traders seeking access to the market be balanced against those seeking to unduly block said entry? Where this system is imbalanced in favour of the monopolist, the duty to redress the balance should surely fall to the legislator, rather than the courts, and it will be interesting to see how the CJEU decision reflects the interplay between the courts and the legislator on this point.

To the final point, as to whether bad faith ought to apply to the entirety of the specification, or simply to those goods and services for which no use was intended, the opinion concludes that bad faith on the grounds of lack of intention to use may invalidate only in relation to those specific goods and services.

The present opinion leaves the door open in many regards, concluding that an application for a trade mark with no intention to use for the relevant goods or services *may constitute an element* of bad faith, particularly where the sole intention is to block access to the market. There are several qualifiers here, so it is unclear how much weight ought to be afforded to the lack of intention to use, when considering the potential bad faith of an Applicant.

It appears that this opinion does not fall entirely on the side of either party, so there may be a cautious optimism from both parties awaiting the CJEU decision. Whether the evidential burden to a successful invalidation based on bad faith is lessened remains to be seen. The burden of proof falling to the invalidation applicant has often made this ground of invalidity problematic, and the practical application of the reasoning in the AG opinion may present further questions (how do I evidence a non-intention to use or abusive filing practice?). It may be that the changes proposed in this opinion are better left to the legislative branch rather than the judiciary; only time will tell.

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